GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:5451
ANSWERED ON:02.05.2005
SUBSIDIES ON FERTILIZERS
Chaure Shri Bapu Hari

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government has decided to rationalise fertilizer subsidies; and

(b) if so, the details thereof?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) & (b): With the objective of rationalizing subsidy on fertilizers, a group based New Pricing Scheme for urea units was introduced w.e.f. 1.4.2003 replacing the erstwhile unit specific Retention Price Scheme. NPS aims at greater transparency, uniformity and efficiency in disbursement of subsidy to urea units and inducing them to take cost reduction measures on their own and be competitive.